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FRIDAY MAY 10, 1963

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BELCHER

MINING CORPORATION
LIMITED


MAY 10 1963



ASSOCIATE LITTLE LONG LAC GOLD MINES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1962



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Annual Report for the Year Ended December 31, 1962

President's Letter to Shareholders

The Annual Report, including the Financial Statements and the Auditors' Report thereon for the fiscal year ended December 31st, 1962, is presented herewith. Attention is directed to the fact that the Company fully maintained its strong liquid financial position and the one-third interest in Great Whale Iron Mines Limited (N.P.L.).

Great Whale Iron Mines Limited (N.P.L.)

No exploration or development work was carried out on any of the three concessions as none was required to maintain them in good standing. A boundary survey was completed on one of the concessions to permit it to be reduced in size. All three concessions have now been reduced to their minimum size for a total of 17 square miles embracing the major ore deposits.

With ore reserves of 942 million long tons of crude concentrating magnetite iron ore, there is no need to do further drilling to prove up additional ore until production planning is fully formulated and this, in turn, is dependent on World Market conditions for the sales disposal of "tailored" ores and concentrates.

Doran Lake Participation

In accordance with an agreement made with Lun-Echo Gold Mines Limited for an equal interest in the group of 37 claims at Doran Lake in the Lake St. Joseph Area, Northwestern Ontario, your Company carried out 918 feet of diamond drilling and made the necessary application with deposit to bring the claims to patent. Exploration to date has outlined 375,664,000 tons of iron ore which our engineers estimate will produce 105 million tons of high grade concentrates on a favourable ratio basis. The claims may now be held at a modest cost until markets develop for this ore.

Belcher Islands

During the year, a group of 23 claims in Tukarak Island and another group of 38 claims on Flaherty Island were allowed to lapse. The Company's main group of 137 claims on Innetalling Island, however, have been maintained in good standing. No work is required on this main group and none is planned for 1963.

Exploration

The intensive exploration programme which was initiated in 1961 was resumed in 1962 in the vast area to the south and south-east from Great Whale to Chibougamau in northern Quebec.

During 1962, aerial magnetometer surveys were carried out over 3,300 square miles of what was considered to be a favourable area in the Sakami River region just south and west of the vast area flown the previous year. Seven anomalies were outlined by this survey all of which were examined by a ground geological party but unfortunately all of these proved to be uneconomic.

One of the two magnetite ore occurrences found and staked in 1961, known as the Misery Lake property, was interesting enough to warrant its retention and consequently 515 feet of drilling in eight holes were completed to satisfy assessment work requirements until March 1965. The drill results showed a good grade of iron, typical of those held by Great Whale Iron Mines Limited (N.P.L.), and, while the size of the deposit is relatively small (approximately 65,000 tons per vertical foot), it may be possible to work this deposit in conjunction with those of Great Whale Iron Mines Limited (N.P.L.).

The other magnetite deposit that was staked in 1961, known as the Burton Lake claims, was investigated and found to be uneconomic and accordingly these claims were allowed to lapse.

A second field party, exploring a favourable greenstone belt in the Eastmain River Area, Quebec, discovered a large gossanized zone containing low submarginal but nevertheless persistent values in Copper and Nickel. A total of eighty claims was staked to protect a strike length of six miles of the best portion of this large sulphide zone. Plans for 1963 call for further investigation of this zone.

Summary

With major equity positions now established in important iron ore situations and while awaiting changed conditions which will permit senior financing to the production stage, your Company is now engaged in the search for base-metal and gold ore deposits — backed by ample funds and with well qualified technical staff available.

Respectfully submitted,

On behalf of the Board,

DOUGLAS BANKS,
President.

May 6, 1963.

(Incorporated under the laws of the Province of Ontario)

BALANCE SHEET

DECEMBER 31, 1962

(with comparative figures for 1961)

ASSETS		1962	1961
CURRENT:			
Cash		\$ 17,786.89	\$ 5,289.43
Marketable securities — at cost (market value \$1,878,000.00)		2,040,400.54	1,686,378.50
Guaranteed investment certificates — at cost			300,000.00
Accounts receivable		2,880.51	36,205.75
Total current		\$ 2,061,067.94	\$ 2,027,873.68
Investment in and advances to Great Whale Iron Mines Limited (No Personal Liability)		293,166.68	288,520.05
MINING CLAIMS AND PROPERTIES:			
Acquired for 1,810,000 shares issued at \$.10, less amounts written off \$163,000.00			
Interest in oil royalty, at cost less amount written off	8,000.00	171,000.00	171,000.00
Deferred development and administrative expenditures, etc. (statement 2)		987,293.46	1,025,952.52
		<u>\$ 3,512,528.08</u>	<u>\$ 3,513,346.25</u>

AUDITOR'S REPORT

To the Shareholders of
BELCHER MINING CORPORATION LIMITED:

We have examined the balance sheet of Belcher Mining Corporation Limited and statement of deferred development and administrative expenditures, etc., to December 31, 1962. Our examination included a general review of the evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statement of deferred development and administrative expenditures, etc., of the company as at December 31, 1962, and the results of its operations for the year ended December 31, 1962, are consistent with that of the preceding year.

Toronto, Canada,
March 22, 1963.



the laws of Ontario)

STATEMENT 1

SHEET

31, 1962

at December 31, 1961)

LIABILITIES

	1962	1961
Accounts payable	\$ 3,279.87	\$ 4,098.04

SHAREHOLDERS' EQUITY:

Capital Stock —

Authorized: 7,000,000 shares
par value \$1 each

Issued: 5,600,000 shares \$ 5,600,000.00

Deduct discount on shares (net) 1,955,754.46

\$ 3,644,245.54

Deficit (no change during the year) 134,997.33 3,509,248.21 3,509,248.21

On behalf of the Board:

DOUGLAS BANKS, Director.

J. GEORGE BOECKH, Director.

\$ 3,512,528.08 \$ 3,513,346.25

REPORT

at December 31, 1962 and the statement of deferred development and administrative
the accounting procedures and such tests of accounting records and other supporting

opment and administrative expenditures, etc., present fairly the financial position of
ended, in accordance with generally accepted accounting principles applied on a basis

CLARKSON, GORDON & CO.

Chartered Accountants.

STATEMENT OF DEFERRED DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES, ETC.

TO DECEMBER 31, 1962

	Total to December 31, 1961	Expenditures during 1962	Total to December 31, 1962
DEVELOPMENT:			
Engineering and surveying fees and expenses	\$ 212,367.34	\$ 27,472.31	\$ 239,839.65
Diamond drilling	268,948.73	3,304.80	272,253.53
Assaying and ore dressing tests	38,208.01	1,121.35	39,329.36
Supplies	103,480.42	(389.66)	103,090.76
Travel and transportation	226,691.09	8,457.61	235,148.70
Superintendence	95,000.00	3,000.00	98,000.00
Wages	74,287.78	1,270.00	75,557.78
Recording fees, licenses, taxes, etc.	31,176.98	4,041.21	35,218.19
Surface exploration	15,990.18	—	15,990.18
Expenses of ship (net)	13,359.17	—	13,359.17
Insurance	14,789.77	609.49	15,399.26
Buildings and equipment	27,601.18	705.34	28,306.52
Miscellaneous	14,123.27	4,329.10	18,452.37
Total development	<u>\$ 1,136,023.92</u>	<u>\$ 53,921.55</u>	<u>\$ 1,189,945.47</u>
ADMINISTRATIVE:			
Management, accounting and secretarial services, etc.	\$ 236,692.52	\$ 28,959.24	\$ 265,651.76
Legal and audit	46,829.41	1,050.00	47,879.41
Transfer fees	36,420.71	2,626.99	39,047.70
Directors' fees	12,000.00	900.00	12,900.00
Meetings and reports	49,880.28	3,419.27	53,299.55
Total administrative	<u>\$ 381,822.92</u>	<u>\$ 36,955.50</u>	<u>\$ 418,778.42</u>
Total development and administrative	<u>\$ 1,517,846.84</u>	<u>\$ 90,877.05</u>	<u>\$ 1,608,723.89</u>
MISCELLANEOUS REVENUE AND EXPENDITURE:			
Investment revenue	\$ 397,547.29	\$ 84,418.38	\$ 481,965.67
Profit (net) on sale of investments	21,296.91	41,248.45	62,545.36
Sundry revenue	3,840.98	—	3,840.98
Oil royalties received	21,709.14	3,869.28	25,578.42
Proceeds on sale of 90% interest in Nova Scotia closure #9	47,500.00	—	47,500.00
Total miscellaneous revenue and expenditure	<u>\$ 491,894.32</u>	<u>\$129,536.11</u>	<u>\$ 621,430.43</u>
Deferred development and administrative expenditures, etc. to December 31	<u>\$ 1,025,952.52</u>	<u>\$(38,659.06)</u>	<u>\$ 987,293.46</u>

OFFICERS:

DOUGLAS BANKS - - - - - *President*

J. GEORGE BOECKH - - - - - *Vice-President*

MISS B. A. ARGO - - - - - *Secretary*

DIRECTORS:

JOHN C. L. ALLEN

J. GEORGE BOECKH

DOUGLAS BANKS

ROBERT C. STANLEY, JR.

P. K. HANLEY

MISS B. A. ARGO

TRANSFER AGENT:

CANADA PERMANENT TORONTO GENERAL TRUST COMPANY
Toronto, Ont.

BANKERS:

CANADIAN IMPERIAL BANK OF COMMERCE
Toronto, Ont.

AUDITORS:

CLARKSON, GORDON & Co., Toronto, Ont.

HEAD OFFICE:

199 Bay Street, Toronto, Ont.

